



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2017 Biennium

<b>Bill #</b>	HB0145	<b>Title:</b>	Revise laws related to livestock loss
<b>Primary Sponsor:</b>	Cuffe, Mike	<b>Status:</b>	As Amended

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact     | <input type="checkbox"/> Needs to be included in HB 2  | <input type="checkbox"/> Technical Concerns              |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

### **FISCAL SUMMARY**

	<b><u>FY 2016 Difference</u></b>	<b><u>FY 2017 Difference</u></b>	<b><u>FY 2018 Difference</u></b>	<b><u>FY 2019 Difference</u></b>
<b>Expenditures:</b>				
General Fund	\$200,000	\$200,000	\$0	\$0
State Special Revenue	\$200,000	\$200,000	\$0	\$0
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$200,000	\$200,000	\$0	\$0
<b>Net Impact-General Fund Balance:</b>	<u>(\$200,000)</u>	<u>(\$200,000)</u>	<u>\$0</u>	<u>\$0</u>

**Description of fiscal impact:** HB 145 creates a livestock loss reduction restricted state special revenue fund. Each year of the biennium \$200,000 will be transferred from the state general fund set up by the proposed law. Funds will be expended from the livestock loss reduction restricted special revenue fund for grants, contracted services and administrative costs

### **FISCAL ANALYSIS**

#### **Assumptions:**

1. In current statute 81-1-112, MCA, there is a livestock loss reduction and mitigation restricted special revenue account. Under current law, \$200,000 is transferred from the state general fund to the livestock loss reduction and mitigation restricted special revenue account each year. HB 145 renames the account to be the livestock loss mitigation restricted special revenue account and the \$200,000 annual transfer is maintained.
2. HB 145 creates a new state special revenue account called the livestock loss reduction restricted special revenue account. HB 145 also requires a transfer of \$200,000 from the state general fund into the newly created loss reduction special revenue account in each year of the biennium.

3. Demands for loss prevention funds for the livestock loss reduction restricted account generally exceed the amount of funds requested each year. It is assumed that all funds will be distributed for livestock loss prevention projects.
4. Section 1(4) caps administrative costs at 10% of the general fund transfer each year. \$20,000 each year may be utilized for administrative expenses within the program. Administrative expenses are to ensure compliance and proper utilization of livestock loss prevention funds.
5. Section 1(3)(b) of the bill would allow the Livestock Loss Board to use up to \$100,000 per year for contracted services with USDA Wildlife Services for investigations and confirmation of livestock losses due to wolves and grizzly bears and to reduce predation of livestock.
6. It is assumed that the remaining funds each year will be used based upon the greatest needs as determined by the Livestock Loss Board as grants for loss prevention to individual livestock owners, livestock organizations, county governments, and conservation groups to reduce predation and pay veterinary bills; to pay a portion of value for injured livestock; and a multiplier factor for weight loss and lower pregnancy rates due to injury or harassment of livestock by wolves and grizzly bears.
7. The proposed law also requires that any unencumbered funds in the livestock loss mitigation account in excess of \$400,000 be transferred to the livestock loss reduction account on June 30<sup>th</sup> of each odd-numbered year.
8. Section 17-1-507, MCA, requires the completion of the dedicated revenue form when a new revenue dedication (state special revenue fund) occurs. That form is attached to this fiscal note.

	<b><u>FY 2016 Difference</u></b>	<b><u>FY 2017 Difference</u></b>	<b><u>FY 2018 Difference</u></b>	<b><u>FY 2019 Difference</u></b>
<b><u>Fiscal Impact:</u></b>				
<b><u>Expenditures:</u></b>				
Operating	\$120,000	\$120,000	\$0	\$0
Grants	\$80,000	\$80,000	\$0	\$0
Transfers	\$200,000	\$200,000	\$0	\$0
<b>TOTAL Expenditures</b>	<b>\$400,000</b>	<b>\$400,000</b>	<b>\$0</b>	<b>\$0</b>
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$200,000	\$200,000	\$0	\$0
State Special Revenue (02)	\$200,000	\$200,000	\$0	\$0
<b>TOTAL Funding of Exp.</b>	<b>\$400,000</b>	<b>\$400,000</b>	<b>\$0</b>	<b>\$0</b>
<b><u>Revenues:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$200,000	\$200,000	\$0	\$0
<b>TOTAL Revenues</b>	<b>\$200,000</b>	<b>\$200,000</b>	<b>\$0</b>	<b>\$0</b>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	(\$200,000)	(\$200,000)	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0

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*Sponsor's Initials*\_\_\_\_\_  
*Date*\_\_\_\_\_  
*Budget Director's Initials*\_\_\_\_\_  
*Date*